



NC E-Procurement @ Your Service

E-Procurement Operational Contract

Department of Administration
Division of Purchase and Contract

Presented to
House Select Committee on E-Procurement

March 21, 2012

Sam Byassee
State Purchasing Officer
Direct line: 807-4533
sam.byassee@doa.nc.gov



E-Procurement Software (Ariba) is separate from Services Contract to operate the e-Procurement system

Current operational services agreement provisions:

- \$875,000 per month (sole source of funds is e-procurement fees)
- Monthly fee reduced to \$785,000, beginning in April 2012
- Operational Services term expires December 31, 2012
- Transition period, including specified services, to ease transfer to another vendor
- Software licenses, including customizations, remain with State



Monthly fee goes to provide –

- Ariba software support and maintenance fees (pass-through to Ariba)
- Vendor services:
 - Operations management
 - Hardware and software maintenance and support
 - Functional and technical support
 - Help desk and other customer support
 - Billing and collection of the transaction fees
- All vendor overhead (Office space, telecommunications costs, personal computers, etc.)



Plans for mid-term future:

- RFP currently in-process, with posting in April
- Operate State's existing e-Procurement system
- Same set of services and performance requirements
- Expectations that additional modules will be added to existing system
- Intent is to satisfy State's needs for at least next 3-5 years
- Re-evaluate scope and amount of e-procurement fee



Business Intelligence for Procurement

Decision-making analytics – data mining, statistical analysis, process modeling

Performance measurement – how well are we:

- Meeting performance standards
- Making progress towards business goals

Management reporting – summary information, or historical review of specific segment, for management strategic decisions



Improving Procurement Decisions

- **Overall View of Procurement and Spend**—Gain visibility into specific spending decisions and relationship to decisions on other items; identify opportunities for consolidation and reduction of costs.
 - Assist strategic decision-making, develop sourcing strategies, evaluate effects of alternate sourcing decisions
- **Improve Procurement Performance**—Reduce spending through stronger strategic sourcing initiatives. Identify procurement bottlenecks (late requisitions, poor delivery, poor quality) and take corrective action before they become major issues.
 - spend analysis by commodities, suppliers, supplier locations, buying locations, business units, cost centers, buyers and contract comparisons
- **Enhance Insight into Supplier Performance**—Monitor price, delivery, and product quality to determine best - and worst - performing suppliers. Improve contract compliance.
 - supplier scorecards, supplier price performance, delivery performance, product receipt quality.